

AGENDA ITEM 5 (ACTION ITEM)

CONTRACT DELEGATION AUTHORITY

Contract Delegation Authority June 19, 2018

STAFF REPORT

Government Code Section 8857 authorizes the Commission to delegate to the Executive Director the authority to enter into contracts on its behalf. For purposes of this delegation, counsel advises that the term “contracts” includes purchases of services through service order agreements and purchases of “goods” through purchase order agreements. CDIAC uses service order agreements to pay for equipment maintenance such as copier service agreements and e-mail services (such as ListServ). It uses purchase order agreements to pay for printing costs of CDIAC publications, association memberships, and office equipment. In general, most CDIAC operating expense and equipment (“OE&E”) expenditures fall under this broader “contract” category and are therefore relevant in the context of the executive director’s contract authority.

On June 21, 2017, the Commission approved Resolution 17-02, authorizing the Executive Director to enter into contracts and interagency agreements in FY 2017-18 under specified thresholds. Specifically, an individual contract may not exceed \$300,000 and an interagency agreement for administrative services may not exceed \$648,000. Resolution 17-02 also established the cumulative amount of the delegation to the executive director at \$1.6 million. In addition, the resolution requires the Executive Director to report on all contracts approved pursuant to the resolution.

CDIAC OE&E expenditures, included in the broader definition of “contracts” and covered by the cumulative delegated amount, are projected to be approximately \$1,024,100 through June 30, 2018, as follows.

| | |
|-----------------------------------|--------------------|
| STO Administrative services | \$533,200 |
| Rent & facilities operation | 152,700 |
| Information technology | 129,500 |
| Travel and training | 39,100 |
| General office expenses | 36,200 |
| Printing and postage | 6,800 |
| Communications | 21,900 |
| State professional services | 7,300 |
| Educational facilities & services | 14,400 |
| External professional services | 83,000 |
| TOTAL | \$1,024,100 |

The proposed FY 2018-19 budget appropriation for OE&E is \$1,558,000. No adjustments to this appropriation have been proposed, nor are any expected at midyear.

Major contracts or interagency agreements in place or executed in FY 2017-18 include:

| VENDOR | SERVICE | START | END | AMOUNT |
|------------------------------------|------------------------------|---------|---------|-----------|
| State Treasurer's Office | Administration & IT | 7/1/17 | 6/30/18 | \$533,235 |
| State Treasurer's Office | Rent, operations, security | 7/1/17 | 6/30/18 | 147,108 |
| Socrata, Inc. | Software subscription | 5/1/17 | 4/30/18 | 102,600 |
| Socrata, Inc. | Software subscription | 5/1/18 | 4/30/19 | 102,840 |
| Orrick Herrington | Legal services - Debt Primer | 12/1/16 | 6/30/18 | 300,000 |
| CSU, Sacramento | On-Demand training | 4/18/17 | 9/30/18 | 49,629 |
| State Personnel Board ¹ | Compliance audit | 7/1/16 | 6/30/19 | 25,000 |
| ABC Signup | Event registration | 6/5/17 | 6/4/18 | 6,517 |
| ABC Signup | Event registration | 6/5/18 | 6/4/19 | 6,517 |
| Elavon, Inc. | Credit card processing | 6/1/15 | 5/31/18 | 5,000 |
| Go To Webinar | Webinar hosting | 5/12/17 | 5/11/18 | 2,700 |
| Go To Webinar | Webinar hosting | 5/12/18 | 5/11/19 | 2,700 |

¹ Amount is estimated over the term of the agreement. Actual amount is billed hourly in arrears.

STAFF RECOMMENDATION

Given the current fiscal year expense projections for OE&E, proposed budget authority for FY 2018-19 OE&E, the contracts and agreements in place in FY 2018-19 and projected for FY 2018-19, staff recommends that the cumulative contract authority delegated to the executive director in FY 2018-19 remain unchanged from FY 2017-18. Further, staff rec-

ommends the limit on the contract authority for the interagency agreement with the State Treasurer's Office be reduced to an amount more consistent with the FY 2017-18 contract amount.

Resolution 18-01 resolves to delegate to the Executive Director cumulative contract authority of \$1,600,000, with any single contract authority limited to \$300,000, not including the interagency administrative services agreement authority which is limited to \$545,000.

Resolution 18-01

Date of Adoption: June 19, 2018

WHEREAS, Government Code Section 8857 provides that the Commission may delegate to the Commission's executive director the authority to enter contracts on its behalf; and

WHEREAS, Section 1208 (1)(e) of the State Administrative Manual requires that contracts in excess of \$5,000 entered into by state boards, commissions and authorities must be accompanied by a copy of the approved resolution authorizing the execution of such agreements;

THEREFORE, BE IT RESOLVED, that the California Debt and Investment Advisory Commission hereby authorizes the Commission's executive director to enter into contracts in Fiscal Year 2018-19, with the following limitations:

- (a) The value of any single contract shall not exceed \$300,000, except as provided in (b);
- (b) The value of the standard agreement for interagency administrative services with the State Treasurer's Office shall not exceed \$545,000;
- (c) The cumulative amount for all contracts shall not exceed \$1,600,000 in Fiscal Year 2018-19. For purposes of this resolution, a contract shall include, but not be limited to, standard agreements, purchase orders, and service orders.

FURTHER BE IT RESOLVED, the executive director may amend contracts, as needed, to change either the allocations for individual contracts, or their terms provided that the amendments do not exceed the amounts specified in paragraphs (a), (b), and (c).

MOREOVER, the executive director shall, at the next Commission meeting, report on all contracts, as defined, approved pursuant to this resolution.

Mark B. Campbell, *Executive Director*